

SIGNED VERSION

Dealers' Confirmation to Issuer**BG plc****Euro 2,500,00,000****Euro Medium Term Note Programme (the "Programme")**

To: BG plc
Attention: Andrew Kluth
Fax: 0118 9293849

cc: The First National Bank of Chicago 29th September 1998
Attention: Corporate Trust Securities

cc: The Law Debenture Trust Corporation p.l.c.
Attention: The Manager, Trust Administration

We confirm our agreement for the issue of the Instruments described below forming part of the above Programme in accordance with the terms of the Dealer Agreement relating to the Programme as supplemented by the terms set out below:

Provisions appearing on the face of the Instruments

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|---------------------------------|------------------------------|
| 1. Issuer: | BG plc |
| 2. Series No: | BG plc 0008 |
| 3. Tranche No: | 1 |
| 4. ISIN: | XS0091221258 |
| 5. Currency: | British Pounds ("GBP") |
| 6. Principal Amount of Tranche: | GBP 50,000,000 |
| 7. Issue Date: | 2 nd October 1998 |

Provisions appearing on the back of the Instruments

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| 8. Denomination(s): | GBP 1,000 |
| 9. Interest Commencement Date: | 2 nd October 1998 |
| 10. Interest Rate (including after Maturity Date): | 6.20 per cent. per annum |
| 11. Interest Payment Date(s): | Every 2 nd April and 2 nd October from and including 2 nd April 1999 to and including the Maturity Date. |
| 12. Relevant Time: | N/A |
| 13. Interest Determination Date: | N/A |

14. Primary Source for Floating Rate:	N/A
15. Reference Banks:	N/A
16. Relevant Financial Centre:	N/A
17. Benchmark:	N/A
18. Representative Amount:	N/A
19. Relevant Currency:	N/A
20. Effective Date:	N/A
21. Specified Duration:	N/A
22. Margin:	N/A
23. Rate Multiplier:	N/A
24. Maximum/Minimum Interest Rate:	N/A
25. Maximum/Minimum Instalment Amount:	N/A
26. Maximum/Minimum Redemption Amount:	N/A
27. Interest Amount for GBP 1,000 in principal amount:	GBP 31.00 per GBP 1,000 denomination shall be payable upon every Interest Payment Date
28. Day Count Fraction:	30E/360
29. Interest Period Date(s):	N/A
30. Redemption Amount (including early redemption):	Principal Amount
31. Maturity Date:	2 nd October 2028
32. Redemption for Taxation Reasons permitted on days other than Interest Payment Dates:	Yes
33. Amortisation Yield:	N/A
34. Reference Price:	N/A
35. Terms of redemption at the option of the Issuer or description of any other Issuer's option:	N/A
36. Issuer's Option Period:	N/A
37. Terms of redemption at the option of the Instrument holders or description of any other Instrument holders' option:	N/A
38. Instrument holders' Option Period:	N/A
39. Instalment Date(s):	N/A
40. Instalment Amount(s):	N/A
41. Unmatured Coupons to become void upon early redemption:	Yes

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| 42. Talons to be attached to Instruments and, if applicable, the number of Interest Payment Dates between the maturity of each Talon: | Yes |
| 43. Business Day Jurisdictions for Condition 5(f) (jurisdictions required to be open for payment): | London |
| 44. (Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 9(a): | N/A |
| 45. Details of any other additions or variations to the Conditions: | N/A |
| 46. The Agents appointed in respect of the Instruments are: | The Paying Agent will be The First National Bank of Chicago.

27 Leadenhall Street
London EC3A 1AA

UBS AG
Bahnhofstrasse 45
CH - 8098
Zurich |

Provisions applicable to Global Instruments

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| 47. Instruments to be represented on issue by: | Temporary Global Instrument |
| 48. Applicable TEFRA exemption: | D Rules |
| 49. Temporary Global Instrument exchangeable for Definitive Instruments: | No. The Temporary Global Instrument will be exchangeable for a Permanent Global Instrument not earlier than 40 days after the Issue Date upon receipt of proper certification as to non-US beneficial ownership. |
| 50. Permanent Global Instrument exchangeable for Definitive Instruments at the request of the holder at the expense of: | Not exchangeable at the request of the holders |

Provisions relating only to the sale and listing of the Instruments

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| 51. Details of any additions or variations to the selling restrictions: | N/A |
| 52. Listing: | London |
| 53. Issue Price: | 99.46 per cent |
| 54. Dealer's Commission: | N/A |
| 55. Net Price payable to Issuer: | GBP 49,730,000 |
| 56. Whether Dealer acting as principal or agent: | Principal |

57. Specify any extra conditions precedent to issue of the Instruments for the purpose of the Dealer Agreement: None

58. Dealer's Euroclear/Cedel Bank Account Number into which Instruments are to be credited: Goldman Sachs International Euroclear account no: 94589

Goldman Sachs International

By:



